



Real Estate

FOCUS

July 2021

Which renovations are worth an investment?

The cost of remodeling a home is easier to stomach when homeowners can expect to recoup a sizable percentage of the costs of the renovation. While basing renovations on their potential impact on resale value may be unwise, return on investment is something homeowners must consider when mulling renovation projects.

Many homeowners wonder which renovations will resonate most strongly with potential buyers when a home is put up for sale. According to Remodeling

magazine, homeowners are less likely to recoup their investment in a major kitchen or bathroom remodel than they would with basic home maintenance, such as new siding. That's because buyers are most interested in how the bones of the house — or those elements that keep the house protected and can be costly to fix — were maintained.

Each year Remodeling magazine issues its "Cost vs. Value Report," which highlights the projects that offer the most return on

investment. In 2016, the No. 1 project was the installation of fiberglass attic insulation, which could produce 116.9 percent recouped cost and a resale value of \$1,482. Rounding out the top five were manufactured stone veneer for the exterior, a standard new garage door, a steel entry door, and an upscale garage door. Projects with the least return on investment tended to be more expensive undertakings that offered returns of roughly 57 percent. Such projects included bathroom additions, upscale bathroom additions, upscale bathroom remodels, and deck additions.

For those considering more expensive renovations, keep these figures in mind, courtesy of Forbes.

- A major remodel of a 200 square foot kitchen can cost around \$113,000, with homeowners recouping 60 percent.

- Replacing 1,250 square feet of siding with new fiber siding can cost \$13,000, but homeowners can expect to recoup 80 percent of that cost at resale.

- Replacing 10 existing double-hung windows with vinyl low-e glass windows is valued at \$14,000, and the return can be between 68 and 73 percent.

There are even renovations that seem like good ideas but can actually hurt the resale value of a home. MSN Money lists these projects as money-wasters for those who want to sell soon.

- Lavish lighting fixtures can look dated in a few years when trends change.

- Wallpaper or textured walls can be notoriously hard to change, and buyers know that.

- Kitschy renovations, such as 1950s diner tiles, may appeal to only a select number of people. Neutral renovations are better if resale is the goal.

- Many real estate experts warn against converting a bedroom into anything other than a bedroom — even for the purposes of a home office. Such conversions can immediately devalue the property. The same can be said about combining two small bedrooms into one larger space.

Homeowners should investigate potential renovations before committing the time and money to something that may offer little value at resale.

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5 outdoor projects that add value

Exterior renovations can enhance the appearance of a property and make it more enjoyable for homeowners. Certain renovations have the potential to add value to a home, while others may do the opposite. Learning which one have the largest return on investment can help homeowners select features that will have the most positive impact.

Curb appeal goes a long way toward attracting potential buyers. According to the National Association of Realtors, first impressions of a property have a strong influence on buyers. Landscaping and external features can do much to influence such impressions. .

- Lawn care program: Investing in a lawn care program that consists of fertilizer and weed control application and can be transferred over to a subsequent home owner is an attractive feature. NAR says such a care program can recover \$1,000 in value of the \$330 average cost, or a 303 percent ROI.

- Low-maintenance lifestyle: When choosing materials for projects, those that offer low-maintenance benefits can be preferential. These

include low-maintenance patio materials, composite decking, vinyl fencing, and inorganic mulched beds.

- Fire pit: A fire pit can be used for much of the year. In the spring and summer, the firepit is a great place to congregate to roast marshmallows or sip wine and gaze into the fire. In the fall, the fire pit can make for a cozy retreat. A fire pit that has a gas burner is low-maintenance, and the National Association of Landscape Professionals says that most can recoup about \$4,000 of their \$6,000 average price tag.

- Softscaping: Hardscaping refers to structures like outdoor kitchens or decks. Softscaping involves the living elements of the landscape.

Hiring a landscape designer to install trees, shrubs, natural edging, and rock elements can do wonders toward improving the look and value of a home.

- Pool or water feature: In certain markets, particularly hot climates, a pool or another water feature is a must-have. However, in other areas where outdoor time is limited, a pool or water feature can actually lower the value of a home. Speaking with a real estate professional can give homeowners an idea of how a pool will fare in a given neighborhood.

Outdoor improvements can improve the marketability of a home, as well as enhance its appearance and function.



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